

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF MIKE BRAVO)	APPEAL NO. 06-A-2028
AND PATRICIA BRAVO from the decision of the Board)	FINAL DECISION
of Equalization of Boise County for tax year 2006.)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing September 12, 2006, in Idaho City, Idaho, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Patricia Bravo and Mike Bravo appeared for themselves. Assessor Linda Blough and Appraiser Jason Rowe appeared for Respondent Boise County. This appeal is taken from a decision of the Boise County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP060010010120 A .

The issue on appeal is the market value of a rural residential property.

The decision of the Boise County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$45,400, and the improvements' valuation is \$73,130, totaling \$118,530. Appellants request the land value be reduced to \$24,470, and the improvements' value be reduced to \$49,110, totaling \$73,580. Appellants' values are the same as subject's 2005 tax year assessment.

The subject property is a cabin built in 1979 and .480 acres on the Payette River. County records reveal the residence has 936 square feet split between the main level and a loft. The land and improvements tend to sit rather high above the river and shoreline. The main road accessing subject and the other lots in the same subdivision cuts across the front third of subject lot. The bridge across the river for this road is almost directly below the subject lot. A rafting company is located across the river and Appellants report a certain nuisance from these last few features.

Mr. Bravo testified only the lots directly across from the rafting company were negatively affected. It was reported at the time the subdivision was opened, the bridge and road were envisioned to be temporary. Now they are still present many years later. At hearing, Appellants expressed their hope that the bridge and road would remain as there was an advantage. Yet Appellants suggested the same road was also a negative impact on property use and value.

The large increase in subject's assessed value was characterized as "ludicrous" by taxpayers. The low-quality construction of subject was discussed particularly regarding finish and insulation.

Appellants cited Idaho Code §§ 63-314 and 63-317. In agreeing property must be appraised, it was stressed the actual condition and characteristics of a property must be considered. The Bravos could only find one comparable sale referenced by the County (from the Board of Equalization) that was located within the same subdivision as subject. They argued it was incorrect to reference property from other areas that would necessarily involve different property attributes. An example was provided where the same canned food product, under different brand names and selling at different stores, sold at very different prices. The one identified sale in subject's subdivision was reported to have an unusual history (construction method and ownership.) Older information was shared in this regard and it was opined the property history might have specially affected the recent sale price.

The subject loft was discussed and Appellants stressed it shouldn't be valued the same as the balance of the residence (living area) due to replacement costs associated with the construction differences. No particular calculation or adjustment was offered.

The Assessor presented bare land and improved comparable sales. Four of the compared properties had residences and three were vacant land. After removing land and other-

improvements values, the four improved comparables indicated prices per square foot on living area of \$113, \$119, \$94, and \$85 respectively. The \$119 rate was from a March 2006 sale in Rivers Point Subdivision. The other three sales occurred in 2005 and one was located in Rivers Point. The four residences were built between 1979 and 1983 and three were log construction. The \$113 residence was classified as fair construction and in average condition, the same as subject. The \$85 residence was classified as average construction and in fair condition. It was also the largest residence at 1,296 square feet and of two-story, non-log construction. The other two sales (\$119 and \$94) were classified as average construction and in average condition. Subject residence was assessed at \$78 per square foot. Respondent included other details on the properties and photographs.

The subject land, Lot 12, is located in Rivers Point Subdivision and is rated “good” by the Assessor. Lot 12 is .48 acres and assessed at \$90,417 per acre. Details on the three County land sales follow.

Location	Land Rating	Sale Date	Sale Price	Acres	Price Per Acre
Rivers Pt.	Good	Mar-06	\$171,000	0.52	\$328,846
Rivers Pt.	Good	Mar-03	\$134,000	0.54	\$248,148
Rivers Pt.	Good	May-04	\$114,000	0.51	\$223,529

The County noted a number of its referenced properties were located within subject's subdivision including all the land sales. Apparently no interior inspection was performed by the County on the residence and loft. The County did note from the exterior the loft appeared to run from end to end under the gable roof as evidenced by windows and other features.

Respondent closed by contending it made the most accurate valuation it could and that subsequent analysis of sales information shows the property assessment is still below full market

value.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The legal standard most applicable to this case is the requirement that subject be assessed at market value as of January 1, 2006. Among other related statutes see Idaho Code §§ 63-201(10) (below), 63-205(1), 63-301 and 63-314.

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Although very large, the year-to-year increase in subject’s assessment is not legally significant. The increase does serve as a “red flag” suggesting a close scrutiny of the new assessment. Regarding the accuracy of the property characteristics records used by the County, two items bare mention. First, the subject lot use and enjoyment is limited by the road and to some extent the commercial operation located almost directly across the river. Taken together these factors would appear to impact subject and the similarly situated lots more significantly than others in the same subdivision or along the river corridor.

Second, the other property characteristic discussed by the parties and potentially open to error was the loft. In particular the degree or quality of interior finish. Appellants physical description of the loft was not complete. The County estimated the interior finish and condition based on the cabin’s exterior, having not had benefit of an interior inspection. There is

insufficient evidence to demonstrate the loft is erroneously assessed. That the County included the loft square footage in total living area seems correct. Neither party adequately explained how the loft square footage was valued, particularly in comparison to the main level which was Appellants' concern. An interior inspection by the Assessor could validate property characteristics and clear up some confusion in this regard. On appeal, the record is too unclear to support overturning the 2006 assessment on the residence.

On land value, the Assessor reports valuing lots with the road for a lesser amount. These lots were rated "good" versus the next classification "riverfront" which had a higher value rate. The subject lot assessment was well below the prices on the two land sales referenced in River Point Subdivision. Appellants identified no other recent sales for the Board's consideration. There were no land sales available in the record near the lot value claimed by taxpayers.

Sales of recent, proximate, similar property is generally considered good evidence of market value. Adjustments should be made for property differences. The Assessor generally looked to comparable sales in supporting the 2006 subject assessment. Appellants raised good points about local property sales being more reflective of subject's value. Certainly the property nuances should be studied and reflected in value as appropriate. However here there was virtually no support for a land assessment at the level claimed. A foundational step in a correct assessment is that the actual property characteristics be accurately reflected. The taxpayers have not proven by a preponderance of the evidence that the subject assessment was in error on characteristics or on market value. This burden of proof standard is in Idaho Code § 63-511(4).

For the reasons expressed the decision of the Boise County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Boise County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 5th day of March, 2007.